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Action Taken

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY GUATEMALA — DESP. NO. 25

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE July 10, 1953

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SUBJECT: Joint Weeka No. 28 for State, Army and Air Departments from S - Section I.

As the lull in Guatemalan politics continued, local attention was focused on a threatened strike of the workers at the electric power plants of the American-owned Empresa Eléctrica de Guatemala which, should it occur, would leave Guatemala City and adjacent areas without current. On another front, the Communists announced they had succeeded in raising $5,000 by public subscription to convert their weekly newspaper Octubre into a daily, but the independent press charged that the paper would actually depend on a disguised Government subsidy.

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Labor

Power Company Strike Threatened

The wage dispute between the Empresa Eléctrica de Guatemala and the union of its workers under the guidance of Manuel PELLECER, Communist Secretary of Labor Conflicts of the CGTG, moved closer to a climax when the efforts of the labor court and administration officials to conciliate the dispute came to nought and the union moved to satisfy the requirements of the Labor Code for a legal strike.

The conduct of negotiations reflected Sr. Pellecer's influence over the officers of the local union. It will be recalled that a union representative first accepted a recommendation of Labor Judge José GARCIA Bauer that a study be made to determine whether the Company could afford to pay higher wages, but later rejected the proposal after consulting Sr. Pellecer (Weeka No. 25). In further talks this week conducted by Sr. J. Roberto FANJUL, Minister of Economy and Labor, Sr. Pellecer and a CGTG legal adviser, Sr. Rodrigo FERNANDEZ, acted as spokesmen for the union while the union's officers sat by in silence.

In an effort to break the deadlock, Company representatives offered the workers 30 percent of the pay raise demanded on condition that the Government would permit a compensatory rate

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increase, but neither Governmental nor labor representatives welcomed the suggestion and on July 8 the talks were suspended. However, the possibility of a further attempt at conciliation arose when President Arbenz reportedly told a delegation of labor leaders who called on him that he would be glad to mediate, if requested.

In this dispute the union of Empresa Eléctrica workers has been unusually careful to comply with the provisions of the Labor Code in contrast with its behavior in previous conflicts when in one instance it struck illegally and in another brought about Government intervention by threatening to strike in defiance of law. In the current dispute, the union requested the Court to have a strike vote taken, and the result showed that more than two-thirds of the union's members favored a strike, one of the Labor Code's requirements for a legal strike. In compliance with another provision, the Ministry of Communications on request designated the essential installations which should be supplied with current during a possible strike, and the Labor Court then declared a strike legal. The union now has the option of actually going on strike or of working on for 20 more days, after which it can request compulsory arbitration.

Psychological

Communist Daily Newspaper

Communist plans to convert their weekly newspaper Octubre into a daily to be called Tribuna Popular (Weeka No. 22), appeared nearer realization when it was announced on July 7 that the $5,000 goal set for the party's fund raising activities had been reached thirteen days ahead of schedule. Despite this initial success, party leaders stated they would continue their activities in an effort to raise a total of $15,000, which Sr. José Alberto CARDOZA, Communist Deputy in Congress, described as "the minimum needed to put out the kind of newspaper the people deserve". The Communists plan to begin publication of their new paper in August.

Commenting on this report, a columnist in the independent Prensa Libre maintained that to the Communists the amount collected was a matter of indifference since the paper would be printed on Government-subsidized presses and would be able to use the supplies of paper and ink available there. This is a reference to the Centro Editorial, a printshop ostensibly owned by the pro-Government political parties where Octubre, Nuestro Diario and other leftist, pro-Government papers are published.

Rudolf E. Schoenfeld

cc: C. A. Missions
Routine